

Advocate Health Billing and Collections Policy

I. PURPOSE

Mental Health Emergency Center and its affiliates (collectively “MHEC”) recognize the importance of maintaining sound debt collection practices while balancing the needs of the communities and patients it serves. This Policy describes the procedure, requirements, and limitations related to MHEC’s internal and external collection efforts used in the event of a Guarantor’s non-payment. Note that certain aspects of this Policy are guided by the FINANCIAL ASSISTANCE POLICY (FAP). The policies and procedures stated herein are intended to comply with Alabama, Georgia, Illinois, North Carolina, South Carolina and Wisconsin State regulations, Fair Debt Collection Practices Act and 501(r) of the Internal Revenue Code and related guidance.

II. SCOPE

This policy applies to medical services billed by an MHEC entity that have been provided by an MHEC hospital or an MHEC employed medical professional.

III. DEFINITIONS/ABBREVIATIONS

A. Account - An account receivable based on services furnished by MHEC.

B. Bad Debt Account - An Account with a Self-Pay Balance that has remained unpaid following reasonable internal collection efforts consistent with this Policy.

C. Contracted Collection Agency - A contracted vendor providing debt collection services on behalf of MHEC.

D. Extraordinary Collection Actions (ECAs) - The following actions are considered Extraordinary Collection Actions: (a) reporting a Guarantor to a credit reporting agency, (b) selling a Guarantor’s debt to another party, (c) placing a lien on a Guarantor’s property, (d) attaching or seizing a Guarantor’s bank account or any other personal property, (e) commencing a civil action against a Guarantor, (f) causing a Guarantor’s arrest, (g) causing a Guarantor to be subject to a writ of body attachment, (h) garnishing a Guarantor’s wages, and (i) deferring or denying, or requiring a payment before providing medically necessary care because of a Guarantor’s nonpayment of one or more bills for previously provided care covered under the FAP.

E. FAP - Financial Assistance Policy.

F. Guarantor - The person or groups of persons that assumes responsibility of payment for all or part of a debt owed to MHEC.

G. Insured Patient - A patient who is insured and covered under a third-party insurer.

H. Placed Account - A Guarantor's Account that has been placed with a Contracted Collection Agency.

I. Plain Language Summary (PLS) - A clear and concise written description of MHEC's Financial Assistance Policy using easy to understand language.

J. Self-Pay Balance - The portion of a Guarantor's bill that the Guarantor is legally responsible for paying.

K. Skip-tracing - Attempts to locate the correct address and/or phone number of the Guarantor.

L. Uninsured Patient - A patient who is not covered in whole or in part under a third-party insurer and is not a beneficiary under a public or private health insurance, or other health coverage program (including, without limitation, private insurance, Medicare, Medicaid or Crime Victim's Assistance) and whose injury is not compensable for purposes of Workers' Compensation, automobile insurance, liability or other third party insurance, as determined by MHEC based on documents and information provided by the patient or obtained from other sources, for the payment of health care services provided by MHEC.

IV. POLICY

A. Initial Billing.

1. Insured Patient. For insured patients, MHEC will submit a claim on behalf of the patient to the patient's insurance provider. If there is a patient responsibility portion after the third-party insurer processes the claim, MHEC will send a billing statement to the Guarantor indicating the Self-Pay Balance owed.
2. Uninsured Patient. For uninsured patients, MHEC automatically applies a 50% uninsured patient discount on eligible services. After the discount is applied, MHEC will send a billing statement to the Guarantor indicating the Self-Pay Balance owed.

B. Permitted Internal Collection Methods. Examples of collection methods MHEC may use to collect Self-Pay Balances from Guarantors include:

1. Face to face appointments with Guarantor.
2. Telephoning, text messaging, mailing, and/or emailing the Guarantor.
3. Written notice to the Guarantor of non-payment and amounts due via mail or electronic mail.
4. Skip-tracing.

C. Prohibited Collection Methods. MHEC will not use, nor permit a Contracted Collection Agency to use any debt collection method that is considered to be an ECA or otherwise prohibited by state or federal law.

D. Payment Plans. MHEC understands that not all patients are able to pay their medical bill in full. As a courtesy to those patients, MHEC offers payment plan options. Payments made on an account without an established payment plan will be applied to the balance but will not be considered an established payment plan.

E. Reasonable Efforts to Determine FAP Eligibility. Financial counseling is available to help patients identify available federal or state healthcare coverage programs which may be available to them, as well as to determine eligibility under the FAP. Before referring a Bad Debt Account to a Contracted Collection Agency, MHEC must ensure reasonable efforts were made to determine whether the Guarantor is eligible for assistance under the FAP. Such reasonable efforts shall include, but are not limited to, the following:

1. Offering the Plain Language Summary of the FAP to the patient prior to discharge from the hospital.
2. When a Guarantor requests information regarding financial assistance, MHEC shall provide the requested information and explore the possibility that the Guarantor is eligible for assistance under the FAP.
3. MHEC shall include, on all billing statements, a conspicuous written notice that includes:
 - i. Notification and information about the availability of the FAP.

ii. A telephone number of the office or department at MHEC that can provide information about the FAP and the FAP application process.

iii. The direct website address where copies of the FAP, the FAP application form, and Plain Language Summary of the FAP may be obtained.

F. Placement of Bad Debt Accounts. Bad Debt accounts with a balance equal to, or greater than five dollars may be placed with a Contracted Collection Agency.

G. Suspension of Collection Efforts. In the event a Guarantor timely submits an FAP application (i.e. prior to the 240-day deadline provided for in the FAP), then MHEC or the Contracted Collection Agency, as applicable, shall suspend any current collection activity of the Bad Debt Account until such time the Guarantor's eligibility under the FAP is determined.

H. Permitted External Collection Methods. Contracted Collection Agencies may use the following collection methods to collect placed Bad Debt Accounts:

1. Telephoning, text messaging, mailing, and/or emailing the Guarantor.
2. Skip-tracing.
3. Using internet-based payment portals and web-based chat sessions.

I. FDCPA Compliance. While engaging in collection efforts to obtain payment from Guarantors, MHEC shall comply, and shall ensure Contracted Collection Agencies comply, with all state and federal laws and regulations related to the collection of debts including, but not limited to, the Fair Debt Collection Practices Act (FDCPA).

J. No Waivers. MHEC may not permit Guarantors to waive any of the protections or procedures contained in this Policy.

K. Refunds. MHEC shall provide the patient with a refund within 60 days of receiving notice of the overpayment. Refunds may be issued by paper check to the address on file or credited back to the credit card used at the time of payment.

1. North Carolina patients ONLY: Patients shall be provided with a refund within 45 days of receiving notice of the overpayment per North Carolina General Statute §131E-91.

V. PROCEDURE

A. Billing Statements. When a Guarantor's Account indicates a Self-Pay Balance, monthly billing statements will be sent to the Guarantor either electronically through the online patient portal, or by mail. Guarantor can choose and change the method by which they receive billing statements.

B. Notification of Financial Assistance Policy (FAP) During and Prior to Collection Actions. This notification will be made in the following ways:

1. Conspicuous Written Notice on Billing Statements. MHEC shall include on all billing statements, a conspicuous written notice that:

i. Provides notification and information about the availability of the FAP, including the Plain Language Summary of the FAP; and

ii. Lists a telephone number of the office or department at MHEC that can provide information about the FAP and the FAP application process; and

iii. Lists the direct Web site address where copies of the FAP, the FAP application form, and plain language summary of the FAP may be obtained; and

iv. Informs the Guarantor about the collection actions MHEC or its Contracted Collection Agencies may take if the Guarantor does not submit a FAP application (and is approved) or pays the amount due.

C. Eligibility for Financial Assistance.

1. Reasonable Efforts to Determine Eligibility for Financial Assistance. The MHEC Internal Self Pay Collections Team shall coordinate with the MHEC Financial Advocates/Financial Team to ensure reasonable efforts are made to determine whether a Guarantor is eligible for assistance under the FAP. Reasonable efforts include the provision of the written notice provided for in Section IV(E).

2. Application for Financial Assistance. If a Guarantor submits an application for financial assistance, such Guarantor's Account(s) will be removed from MHEC's internal collection activity and withheld from collection agency placement as long as the application for financial assistance is in pending review status.

D. Internal Collection Efforts. When a Guarantor's Account indicates a Self-Pay Balance, MHEC may utilize the permitted collection methods described in Section IV(B) above to obtain payment from the Guarantor. Such efforts may continue until (1) the Guarantor satisfies the Self-Pay Balance in full, (2) the Guarantor agrees to and continuously complies with a payment plan, or (3) the Account is deemed a Bad Debt Account.

E. Referral to Contracted Collection Agencies. Once an Account is deemed to be a Bad Debt Account, MHEC may refer the Account to a Contracted Collection Agency. MHEC may change which Contracted Collection Agency an account is placed with for any reason. MHEC will contract with Contracted Collection Agencies to ensure compliance with this Policy.

F. Bankruptcy. At such time that MHEC receives notice that the Guarantor has filed for bankruptcy protection, Placed Accounts will be recalled from a Contracted Collection Agency. Accounts affected by the bankruptcy filing may be routed to an external vendor specializing in bankruptcy procedure. MHEC will contract with the vendor to ensure compliance with this Policy and the United States Bankruptcy Code.

G. Deceased Guarantors. At such time that MHEC receives notice that a Guarantor is deceased, Placed Accounts will be recalled from a Contracted Collection Agency. Accounts may be routed to an external probate vendor specializing in probate procedure. MHEC will contract with the vendor to ensure compliance with this Policy and the Probate Court laws and procedures in the governing state.